

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-13 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

AF-10 ARA-16 EA-11 NEA-10 DRC-01 OIC-04 GSA-02 /239 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC 1624

INFO AMEMBASSY LONDON

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ROME FOR FODAG

EO 11652: NA

TAGS: EGEN, ETRD, EAGR, EMIN, UNCTAD

SUBJECT: UNCTAD: INTENSIVE COMMODITY CONSULTATIONS

REF: GENEVA 4829 AND PREVIOUS

BEGIN SUMMARY: THIS CABLE SUPPLEMENTS PREVIOUS REPORTS ON
HECTIC FINAL DAYS WHICH LED TO ADOPTION OF RESOLUTION TO
INCLUDE COFFEE IN INTENSIVE COMMODITY CONSULTATIONS THUS
BREAKING LOGJAM AND ALLOWING SUCH CONSULTATIONS TO BEGIN.
TIMETABLE HAS BEEN REVISED AND FIRST CONSULTATION NOW
SCHEDULED ON TUNGSTEN OCTOBER 29-NOVEMBER 2, 1973 IN UNCTAD
IN GENEVA. END SUMMARY

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1. INCLUSION OF COFFEE IN INTENSIVE COMMODITY CONSULTA-

TIONS UNDER RES 7(VII) OF COMMITTEE ON COMMODITIES (CC VII) WAS PRINCIPAL ISSUE AT THIRTEENTH TRADE AND DEVELOPMENT BOARD (TDB XIII). BOLSTERED BY AGREEMENT OF AUGUST ECA/OAU JOINT MEETING ON TRADE AND DEVELOPMENT, AFRICAN GROUP (LED BY NIGERIA WITH STRONG SUPPORT OF KENYA AND GHANA) MADE CLEAR ITS OBJECTIVE OF HAVING CONSULTATIONS ON COFFEE WITHIN A SPECIFIED PERIOD OF TIME. COLOMBIA (BACKED BY A LESS ENTHUSIASTIC BRAZIL) WAS ABLE GET LATIN AMERICAN GROUP TO SUPPORT POSITION AGAINST INCLUDING COFFEE EVEN THOUGH MATTER NOT OF MAJOR CONCERN TO MANY LA DELS. BOARD PRESIDENT AND UNCTAD SEC GEN PEREZ GUERRERO (PG) SPENT DAYS IN PRIVATE SESSIONS AMONG PARTIES DIRECTLY CONCERNED TRYING WORK OUT COMPROMISE TO SATISFY REQUIREMENTS OF PARA 9 OF RES 7(VII) WHICH REQUIRES AGREEMENT ON COMMODITIES BEFORE CONSULTATIONS HELD. WHEN PRIVATE EFFORTS FAILED, ATTEMPT MADE USE PUBLIC PRESSURE IN 31-MEMBER CONTACT GROUP.

2. PHILIPPINES (WORKING IN CLOSE LIAISON WITH PRESIDENT AND PG) IN CONTACT GROUP TRIED ELABORATE MAIN ELEMENTS OF COMPROMISE, WHICH LATER ACCEPTED AS BASIS FOR DISCUSSION IN PRESIDENT'S DRAFTING GROUP. AFTER MUCH DEBATE AFRICANS ACCEPTED THAT PART OF PARA 1 TAKING NOTE OF REPORT OF CC VII BUT LINKED COMMENCEMENT OF INTENSIVE CONSULTATIONS TO AGREEMENT ON COFFEE. PROPOSED PARA 2 (DESIGNED BALANCE OPPOSING VIEWS) WAS ACCEPTED. ON ONE HAND, PARA NOTED PRIORITY GIVEN BY MANY LDCS TO INTENSIVE CONSULTATIONS ON COFFEE AND PHOSPHATES AND NEED HOLD SUCH CONSULTATIONS BY END OF MARCH 1974; ON OTHER HAND, CONCERN OF OTHER DELS EXPRESSED. KEY WAS ACTION PARA 3. ASIANS TRIED IN VAIN GET PARA WHICH WOULD ALLOW INTENSIVE CONSULTATIONS TO START WHILE FURTHER INFORMAL CONSULTATIONS WERE CONDUCTED BY SG TO ENABLE CONSULTATIONS ON COFFEE AND PHOSPHATES TO TAKE PLACE WITHIN TIME-FRAME OF 7(VII) WITH REPORT TO RESUMED TDB IN SPRING OF 1974. SOON BECAME CLEAR, HOWEVER, THAT NEITHER NIGERIA NOR COLOMBIA READY CONCEDE ON PRINCIPLE OF COFFEE. EXCHANGES IN SMALL GROUP BECAME VERY BITTER. COLOMBIA SAID AFRICANS MUST ASSUME FULL RESPONSIBILITY FOR FAILURE OF BOARD AND INTENSIVE CONSULTATIONS. NIGERIA LAUNCHED INTO EMOTIONAL LIMITED OFFICIAL USE

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TIRADE, PRINCIPAL THEME OF WHICH WAS THAT AFRICANS HAD SUPPORTED LATINS ON HOST OF ISSUES IN UNCTAD FROM WHICH AFRICA LIKELY DERIVE LITTLE BENEFIT (NOTABLY GSP, CHARTER, CODE ON TRANSFER OF TECHNOLOGY). TIME HAD COME FOR AFRICANS TO GET THEIR FAIR SHARE OF BENEFITS OF UNCTAD.

3. WITH FAILURE OF DRAFTING GROUP, DISCUSSION SHIFTED TO WAYS AND MEANS OF BRINGING TDB XIII TO HONORABLE CON-

CLUSION AND MAKING ARRANGEMENTS FOR RESUMED SESSION IN
SPRING. UP TO THIS POINT, AFRICANS HAD EVEN REFUSED
NOTE REPORTS OF SUBSIDIARY BODIES (INCLUDING REPORT ON
CHARTER) OR ADOPT BOARD REPORT. ASIANS WENT ALONG WITH
THIS CHARADE IN HOPE OF FORCING CONSENSUS BUT NEITHER
COLOMBIA NOR NIGERIA CONCEDED ON COFFEE. HAVING ALLOWED
MATTERS TO GO AS FAR AS WAS TOLERABLE, PHILIPPINES AND
YUGOSLAVIA ANNOUNCED THAT THEY COULD NOT PERMIT UNCTAD
TO BECOME PARALYZED; THEY HAD URGENT PROPOSALS FOR BOARD
ACTION AND WERE PREPARED VOTE ISSUE IN PLENARY. FORE-
GOING EFFORTS SEEK COMPROMISE CONSUMED UNTOLD HOURS,
INCLUDING SUBSTANTIAL LOST TIME WAITING FOR PREVIOUSLY
SCHEDULED GROUP AND PLENARY SESSIONS TO TAKE PLACE.

4. IN PLENARY, FOLLOWING RESOLUTION WAS ADOPTED WITHOUT
VOTE:

QUOTE

THE TRADE AND DEVELOPMENT BOARD,

1. TAKES NOTE OF THE REPORT OF THE SEVENTH (SPECIAL)
SESSION OF THE COMMITTEE ON COMMODITIES AND URGES THE
SECRETARY-GENERAL TO PROCEED ACCORDINGLY WITH THE IMPLE-
MENTATION OF THE COMMITTEE'S RESOLUTION 7 (VII) ON
INTENSIVE INTERGOVERNMENTAL CONSULTATIONS ON COMMODITIES
IN CONNEXION WITH ACCESS TO MARKETS AND PRICING POLICY,
WITH THE CO-OPERATION OF THE ORGANIZATIONS CONCERNED;

2. NOTES THAT WHILE MANY MEMBER COUNTRIES ATTACH
HIGHEST PRIORITY TO THE NEED FOR INTENSIVE INTER-
GOVERNMENTAL CONSULTATIONS ON SUCH COMMODITIES AS COFFEE
AND HAVE INDICATED THAT THESE CONSULTATIONS SHOULD BE
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AF-10 ARA-16 EA-11 NEA-10 DRC-01 OIC-04 GSA-02 /239 W

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3. REQUESTS THE SECRETARY-GENERAL OF UNCTAD TO MAKE
ARRANGEMENTS FOR INTENSIVE INTERGOVERNMENTAL CONSULTATIONS
ON COFFEE TO TAKE PLACE IN THE PERIOD BETWEEN OCTOBER
1973 AND MARCH 1974. END QUOTE

5. BEFORE ADOPTION, MEXICO ON BEHALF OF LATIN
AMERICAN GROUP STATED THAT IF ALL OR PART OF RESOLU-
TION PUT TO VOTE HIS GROUP WOULD NOT PARTICIPATE BECAUSE
TEXT NOT SUBMITTED IN CONSULTATION WITH GROUP OF 77.
(SIMILAR CAVEAT APPLIED TO OTHER FOUR DRAFT RESOLUTIONS
CITED GENEVA 4781 BUT LATER WITHDRAWN WHEN GROUP OF 77
FORMALLY MET AND APPROVED THE FOUR TEXTS.) BRAZIL
(SOUTO MAIOR) SPEAKING ON BEHALF OF ITSELF, COLOMBIA
AND GUATEMALA (PLUS CENTRAL AMERICAN COFFEE PRODUCERS
AND DOMINICAN REPUBLIC WHO NOT TDB MEMBERS) SAID IF
VOTE HAD BEEN TAKEN THEY WOULD HAVE VOTED AGAINST.
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ON BEHALF OF BRAZIL ONLY, SOUTO MAIOR MADE CONCILIATORY
STATEMENT TO EFFECT DEL HAS NO RESENTMENT OVER DECISION.
HE THEN STRONGLY QUESTIONED TACTICS USED, WHICH IF
CONTINUED, WOULD EITHER KILL OR PARALYZE UNCTAD. IN
OBVIOUS SWIPE AT PG, COLOMBIAN DEL SAID PG INFORMED AT
THREE LEVELS THAT COLOMBIA DID NOT WANT INTENSIVE CON-
SULTATIONS ON COFFEE. SAID SUCH CONSULTATIONS WILL BE
MEANINGLESS WITHOUT PARTICIPATION OF MAJOR COFFEE
PRODUCERS. NIGERIA, SPEAKING ON BEHALF OF AFRICAN GROUP,
MADE HIGHLY CHARGED STATEMENT REPEATING POINTS MADE IN
PRIVATE SESSIONS PRINCIPAL THEME OF WHICH WAS THAT ALL
OTHER REGIONS GETTING SOMETHING OUT OF UNCTAD EXCEPT
AFRICA. SAID AFRICAN OBJECTIVES ALREADY WHITTLED DOWN
BECAUSE 7(VII) CALLS FOR CONSULTATIONS AND NOT NEGOTIA-
TIONS. NEVERTHELESS, BOARD HAD SALVAGED ITS REPUTATION
AND INSURED ITS CONTINUED EXISTENCE. ON ISSUE OF FORUM,
HE SAID ICO HAS NO MANDATE ON MARKET ACCESS AND PRICING,

CANNOT BE EXPECTED FULFILL REQUIREMENTS OF 7(VII), AND CANNOT HANDLE MATTER EXCLUSIVELY. HE EXPRESSED HOPE THAT WITH TIME PRODUCERS WOULD COME TOGETHER. US (MILLER) SPEAKING ON BEHALF OF GROUP B RECALLED CONDITIONS IN RES 83(III) AND 7(VII) (I.E. CONSULTATIONS NOT NEGOTIATIONS, COMMODITIES MUST BE AGREED, MUST USE EXISTING COMMODITY BODIES) AND THAT INDIVIDUAL GOVERNMENTS NOT COMMITTED ATTEND EVERY CONSULTATION. HE SAID GROUP B COULD ACCEPT DRAFT RESOLUTION IF PARTIES CONCERNED HAD AGREED. IF VOTE HAD BEEN TAKEN, GROUP B COUNTRIES WOULD HAVE ABSTAINED OR NOT PARTICIPATED. INTERESTING NOTE THAT IVORY COAST (WHICH OPPOSED INTENSIVE CONSULTATIONS ON COFFEE IN CONTACT GROUP) ASKED FOR FLOOR BUT LATER WITHDREW. WHILE NOT OBJECTING TO PRIVATE STATEMENT, WE UNDERSTAND NIGERIA WAS PREPARED ACCUSE IVORY COAST OF BACKING AWAY FROM OAU MINISTERIAL DECISION AND CIRCULATE DOCUMENT SIGNED BY IVORY COAST ACCEPTING AFRICAN POSITION IF STATEMENT OPPOSING COFFEE CONSULTATIONS MADE PUBLICLY.

6. ALTHOUGH TEXT OF RESOLUTION NOT CLEAR ON FORUM, UNCTAD SECRETARIAT (CHIDZERO) STATES PG INTENDS WORK WITHIN FRAMEWORK OF RES 7(VII). PROBLEM WILL ARISE IF ICO UNABLE OR UNWILLING MEET TIMETABLE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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SET FOR INTENSIVE CONSULTATIONS ON COFFEE. AFRICAN GROUP OBJECTS TO GOING TO ICO BUT UNDERSTANDS SECRETARIAT INTENDS PROCEED IN THIS MANNER.

7. CHIDZERO ALSO REPORTED THAT HE NOW INFORMED BY FAO THAT TOBACCO CONSULTATIONS WILL HAVE TO BE DELAYED UNTIL APRIL/MAY AND BANANAS UNTIL APRIL 1975. ICAC REPORTED THAT BECAUSE OF TIME AND BUDGETARY PROBLEMS COTTON CONSULTATIONS COULD NOT BE HELD THIS YEAR BUT COULD BE HELD OCTOBER/NOVEMBER 1974 IF DELHI MEETING AGREES. FIRST CONSULTATION THEREFORE WILL BE ON TUNGSTEN. SECRETARIAT HAS AGREED TO US REQUEST (STATE 82779) AND SET DATE FOR COMMITTEE ON TUNGSTEN FOR OCTOBER 29-NOVEMBER 2 BEFORE LEAD AND ZINC MEETING.

8. PHOSPHATES, WHICH OMITTED FROM FINAL RESOLUTION, COVERED SEPTEL.BASSIN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: collinp0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973GENEVA04851
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730943/aaaabfrx.tel
Line Count: 269
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: GENEVA 4829 AND PREVIOUS
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 04 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04-Oct-2001 by eisnerah>; APPROVED <27 FEB 2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNCTAD: INTENSIVE COMMODITY CONSULTATIONS
TAGS: EGEN, ETRD, EAGR, EMIN, UNCTAD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005